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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES ON JANUARY 20, 2011

Commission Chairman Orjiakor N. Isiogu called the meeting to order at 1:30 p.m.
Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

PRESENT

Commission: Orjiakor N. Isiogu, Chairman
Monica Martinez, Commissioner
Greg R. White, Commissioner

Staff: Margaret Wallin
Judy Palnau
Mary Jo Kunkle
Catherine Bowers
Dolores Midkiff-Powells

Public: Beverly Roberts, Consumers Energy
Jerry Crandall, MIRS
Suzy Denison, MEGA
Kwafo Adarkwa, ITC Holdings Corp.
Jim Padgett, DTE Energy

- I.** Commissioner Martinez moved to approve today's agenda, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The agenda was approved.

- II.** Commissioner Martinez moved to approve the minutes of the Regular Commission Meeting of January 6, 2011, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-12988 ACD TELECOM, INC., AND AT& T
U-13124 MCLEODUSA TELECOMMUNICATIONS SERVICES, INC., AND AT&T MICHIGAN
U-13295 DSLNET COMMUNICATIONS, LLC, AND AT&T MICHIGAN
U-14837 COMLINK, L.L.C., AND AT&T MICHIGAN
U-15053 MICHIGAN ACCESS, INC., AND AT&T MICHIGAN
U-15607 DIECA COMMUNICATIONS, INC., d/b/a COVAD COMMUNICATIONS COMPANY, AND AT&T MICHIGAN
U-16121 TALK AMERICA, INC., d/b/a CAVALIER TELEPHONE, AND LDMI TELECOMMUNICATIONS, INC., AND AT&T MICHIGAN
U-16518 QUICK COMMUNICATIONS, INC., AND AT&T MICHIGAN
U-16523 CLIMAX TELEPHONE COMPANY AND VERIZON WIRELESS
U-16524 CLIMAX TELEPHONE COMPANY AND VERIZON WIRELESS
U-16526 QWEST COMMUNICATIONS COMPANY, LLC, AND AT&T MICHIGAN (interconnection agreements and amendments)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which requests Commission approval of interconnection agreements or amendments. The order before you approves the requests, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

2. U-16459 JACKSON 2-1-1 CALL CENTER
(2-1-1 application)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves the application of Jackson 2-1-1 Call Center to be designated as the 2-1-1 answering point for Genesee and Shiawassee Counties. The order before you grants the application, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

3. U-16491 BULLSEYE TELECOM, INC.
(permanent license)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which is an application for authority to expand the geographic service area of a license to provide basic local exchange service. The order before you grants the license expansion, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

4. U-16507 IQ TELECOM, INC.
(temporary license)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which is an application for a temporary license to provide basic local exchange service. The order before you grants the temporary license, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

B. ELECTRIC

1. MINUTE ACTION MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.
(confirmation of intervention)

Commissioner Martinez moved that the Commission adopt and issue minute dated January 20, 2011 confirming that the Department of the Attorney General intervened on behalf of the Michigan Public Service Commission before the Federal Energy Regulatory Commission in Docket Numbers ER11-2113-000 and ER11-2350-000, applications by the Midwest Independent Transmission System Operator, Inc. and the Midwest ISO Transmission Owners to revise its Schedule 1 (Scheduling, System Control and Dispatch Services) revenue distribution under the Midwest ISO Open Access Transmission and Energy and Operating Reserve Markets Tariff to ensure that the distribution of revenues from Schedule 1 to all Midwest ISO Transmission Owners is just and reasonable and not unduly discriminatory, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The minute was adopted.

2. U-14126-R CONSUMERS ENERGY COMPANY
(security and surcharge costs reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves the application of Consumers Energy Company for approval of its reconciliation of the recovery of the actual enhanced security costs incurred and the surcharges approved in Case No. U-14126. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

3. U-15415-R CONSUMERS ENERGY COMPANY
(rehearing)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves an application by Consumers Energy Company for reconciliation of power supply costs and revenues for 2008. The order before you denies Consumers Energy Company's petition for rehearing, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

4. U-15661-R UPPER PENINSULA POWER COMPANY
(’09 PSCR reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves an application by Upper Peninsula Power Company for a power supply cost recovery reconciliation proceeding for the 12-month period ended December

31, 2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

5. U-15706-R DETROIT THERMAL, LLC
(SSCR reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which is an application filed by Detroit Thermal, LLC, for a steam supply cost recovery reconciliation proceeding for the 12-month period ended March 31, 2010. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

6. U-15770 COMMISSION'S OWN MOTION
(closing docket)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involved an investigation into the ability of electric utilities to meet customers' expected electric requirements in 2009. The order before you closes the docket in this matter, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

7. U-15806 THE DETROIT EDISON COMPANY
(power purchase agreement)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves an application by The Detroit Edison Company for *ex parte* approval of a long-term power purchase agreement with Blue Water Renewables. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

8. U-15810 UPPER PENINSULA POWER COMPANY
(withdrawal of application)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves an application seeking *ex parte* approval of a purchase power agreement between Upper Peninsula Power Company and UP Hydro, LLC. The order before you dismisses the application without prejudice at the request of Upper Peninsula Power Company, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

9. U-16263 THE DETROIT EDISON COMPANY
(regulatory asset recovery surcharges reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves The Detroit Edison Company's application for authority to reconcile its regulatory asset recovery surcharges. The order before you approves the application with modifications, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

10. U-16352 CLOVERLAND ELECTRIC COOPERATIVE
(’09 REP reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves an application filed by Cloverland Electric Cooperative for authority to reconcile its renewable energy plan costs associated with the plan approved in Case No. U-15816 for the 12-month period ended December 31,

2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

11. U-16429 GREAT LAKES ENERGY COOPERATIVE
(’11 PSCR plan)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves an application by Great Lakes Energy Cooperative for a power supply cost recovery plan for the 12-month period ending December 31, 2011. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

12. U-16430 PRESQUE ISLE ELECTRIC & GAS CO-OP
(’11 PSCR plan)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves an application filed by Presque Isle Electric & Gas Co-op for authority to implement a power supply cost recovery plan for the 12-month period ending December 31, 2011. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

C. GAS

1. U-16145 MICHIGAN GAS UTILITIES CORPORATION
(’11 GCR plan and factors)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves an application by Michigan Gas Utilities Corporation for approval of a gas cost recovery plan and factors for the 12-month period ending March 31, 2011. The order before you approves the gas cost recovery plan as filed and supplemented by the company, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

2. U-16443 BREITBURN OPERATING, L.P., TERRA ENERGY COMPANY, LLC, DELTA OIL COMPANY, HRF ANTRIM LIMITED PARTNERSHIP, PAXTON RESOURCES, LLC, O.I.L. ENERGY CORP., MUSKEGON DEVELOPMENT COMPANY, TRENDWELL ENERGY CORPORATION, BELDEN & BLAKE CORPORATION, CGAS PROPERTIES, L.P., NUENERGY OPERATING, INC., YOHE ENTERPRISES, INC., BAGLEY ENERGY, LLC, JORDAN DEVELOPMENT COMPANY, LLC, AND IG INVESTMENT COMPANY, LLC v DCP MIDSTREAM, LLC, AND MICHCON GATHERING COMPANY

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves the complaint of Breitburn Operating, L.P., *et. al.* against DCP Midstream, LLC, and MichCon Gathering Company. The order before you dismisses the complaint, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

3. U-16447 MICHIGAN CONSOLIDATED GAS COMPANY
(self-implemented revenues refund)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves an application filed by Michigan Consolidated Gas Company for authority to refund excess revenues collected through self-implemented rates in 2010. The order before you directs Michigan Consolidated Gas Company to

refund \$25,756,595 of excess revenues, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

PRESS RELEASE ISSUED

4. U-16450 WOLVERINE PIPELINE COMPANY
(application dismissal)

Commissioner Martinez moved that the Commission adopt and issue order dated January 20, 2011 which involves an application by Wolverine Pipe Line Company. The order before you approves a Memorandum of Understanding and dismisses the application, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

There were no public comments.

Chairman Isiogu announced that the next regularly scheduled Commission Meeting will be held on February 8, 2011.

Commissioner Martinez moved that the Commission adjourn, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White
Nays – None

The motion was approved.

The meeting adjourned at 1:43 p.m.

Mary Jo Kunkle
Executive Secretary